

## ***The Weekly Observer***

August 30-September 3, 2021

*The 18<sup>th</sup> edition of the weekly newsletter aggregating news on Japanese politics! This week focuses on the improving COVID-19 case numbers, updates on the vaccination drive, John Kerry's trip to Japan, the SDF's withdrawal from Afghanistan, the Japan Pacific Islands Defense Dialogue, opposition demands for an extraordinary Diet session, the FY 2022 budget request, Prime Minister Suga's decision to not run for reelection, a timeline of developments regarding the LDP presidential and House of Representatives elections, a profile on the potential candidates replacing Suga, opposition plans to retake the Lower House, Kishida's coronavirus policies, the inauguration of Suga's Digital Agency, and more.*

## **By Content**

### **I. News of the Week**

1. COVID-19 Cases Down Nationwide
2. Vaccination Drive Continues
3. Japan-U.S. Developments
4. Japan Withdraws SDF From Afghanistan
5. Defense-related Developments
6. Political Developments
7. State of the Economy
8. Prime Minister Suga to Resign at the End of Term
9. Timeline Leading Up to Suga's Resignation Announcement
10. Potential Candidates to Replace Suga
11. Opposition Confident They Can Win Back Lower House
12. Other Noteworthy News
  - a. Kishida Announces Policies for Presidential Election
  - b. Suga's Flagship Digital Agency is Officially Established

### **II. Public Opinion Polls**

1. Nikkei (8/30)
2. Mainichi (8/28)

## **I. News of the Week**

### **1. COVID-19 Cases Down Nationwide**

- As of Thursday, Japan's case numbers on a seven-day average dropped to 0.84 times last week's numbers, the first fall in cases in two months.
- The nationwide total on Friday reached 16,738 cases, either decreasing or remaining flat in all prefectures.
- The number of people with severe symptoms reached a record-high at 2,221 cases.
- Experts warn that although the summer peak has passed, numbers could rise again in September once schools reopen and people begin to move again.
- Tokyo's seven-day average was 2,898.9 cases, or 69.3 percent of the cases confirmed last week. Around two-thirds of cases were those in their twenties, thirties and forties. The "delta" variant made up 94 percent of the total cases.

### **2. Vaccination Drive Continues**

- The Cabinet Office reports that, as of Friday, around 133.1 million shots have been administered across the country. Of the total population, 58 percent have been vaccinated once, while 47 percent have been vaccinated twice.
- The Ministry of Defense announced Thursday that the mass vaccination sites operated by the Self-Defense Forces will remain open for another two months until the end of November.
- The ministry also announced that 30,000 new spots will be made available for younger individuals between 18-39 this month. The priority spots will be created to speed up vaccination among younger individuals.
- Vaccine czar Taro Kono pointed out that the Tokyo Metropolitan Government's lottery system to allocate spots for vaccination at the newly established mass vaccination site in Shibuya without reservations was reckless.
- He added that the Tokyo government should have conducted the lottery online to avoid the massive lines that ensued last week when the site opened.
- Kono said he instructed the Ministry of Health, Labor and Welfare to come up with a position on whether mixing-and-matching vaccines (AstraZeneca-Moderna/Pfizer) would work and shorten time between shots.

### **3. Japan-U.S. Developments**

- U.S. Special Presidential Envoy for Climate John Kerry traveled to Japan this week ahead of the UN Climate Change Conference (COP26) in November.

- Kerry met with Prime Minister Yoshihide Suga, Foreign Minister Toshimitsu Motegi, Minister of Economy, Trade and Industry Hiroshi Kajiyama and Climate Minister Shinjiro Koizumi.
- Kerry spoke with each minister about U.S.-Japan leadership on addressing climate change and continuing efforts to achieve carbon neutrality.
- In his meeting with Koizumi, Kerry showed his appreciation for Japan's decision to reduce carbon emissions by 46 percent from 2013 levels by 2030.
- The two governments also issued a joint statement on Wednesday, which confirmed the countries would coordinate to get major economies to work toward decarbonization by the end of the decade.<sup>1</sup>

#### 4. Japan Withdraws SDF From Afghanistan

- Following U.S. withdrawal from Afghanistan, Defense Minister Nobuo Kishi announced Tuesday that the SDF ended its evacuation mission and the 260 officers there would formally be withdrawing from the country.
- Last week, the SDF evacuated one Japanese woman and fourteen Afghans, the latter per the request of the U.S., to Islamabad, Pakistan.
- Reports suggest there are over five hundred Afghan staff working at embassies and international institutions that are requesting to be evacuated. So far, the government is uncertain whether it can help evacuate these people.
- The government informed the LDP's foreign and national defense divisions on Thursday that if Afghan staff are able to evacuate to neighboring countries, they will be protected at diplomatic missions there.
- Foreign Minister Motegi said Tuesday that the government plans to relocate its temporary embassy in Afghanistan, currently at Istanbul, Turkey, to Doha, Qatar, where the Taliban houses its political office.

#### 5. Defense-related Developments

- Defense Minister Kishi participated in the Japan Pacific Islands Defense Dialogue (JPIDD) on Thursday. Defense leaders from Fiji, Papua New Guinea, Tonga participated.
- It was also attended by representatives from Australia, Canada, Cook Islands, France, Micronesia, Kiribati, the Marshall Islands, Nauru, New Zealand, Niue, Republic of Palau, Solomon Islands, Tuvalu, the U.K., the U.S. and Vanuatu.

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<sup>1</sup> "U.S.-Japan Joint Statement," U.S. Department of State, August 31, 2021, <https://www.state.gov/u-s-japan-joint-statement/>

- Kishi spoke about the importance of achieving a free and open Indo-Pacific and strengthening relations between Japan and the Pacific Islands, which are located along key sea routes.
- The joint statement issued after the dialogue discussed the free and open Indo-Pacific, maritime security, climate change and HA/DR, as well as the response to COVID-19.<sup>2</sup>
- The defense ministry announced Tuesday that it will be requesting ¥5.48 trillion (≈\$50 billion), ¥10 billion less than last year, for its FY 2022 budget.
- It includes a record-high ¥325.7 billion for R&D—to design the aircraft and engine of the next generation fighter and AI research to enable small satellites, or a “satellite” constellation for missile defense.

## 6. Political Developments

- Four opposition parties including the Constitutional Democratic Party submitted a statement of protest on Thursday, arguing that the ruling coalition was abandoning its Diet duties by rejecting demands to hold an extraordinary session to deliberate the country’s coronavirus policies.
- The opposition had been demanding an extraordinary session since August 7, but the ruling coalition decided it was unnecessary, citing the current supplementary budget was sufficient to roll out a response.
- The opposition also criticized the ruling coalition for focusing on the LDP presidential election during a pandemic and argued that rejecting to hold an extraordinary session was unconstitutional, since Article 53 says the Cabinet must hold a session if a quarter or more of members of either House requests a session.
- Ministries and agencies requested on Tuesday over ¥111 trillion (≈\$1 trillion) for the FY 2022 budget, breaking the record-high for a fourth consecutive year.
- The budget ballooned again this year most likely due to increasing social security costs and the close to ¥100 trillion issued in government bonds to cover COVID-19 related expenditures this fiscal year.

## 7. State of the Economy

- On Friday, the Nikkei Stock Average recovered to ¥29,128, above ¥29,000 for the first time in two months.

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<sup>2</sup> “Japan Pacific Islands Defense Dialogue Joint Statement,” Ministry of Defense of Japan, September 2, 2021, <https://www.mod.go.jp/en/images/e4b4d8b1ad510d146cab838b7f0a65ebbf9c99f.pdf>

- Reports suggest that the index rose from the expectation that a new cabinet, which is going to replace the resigning Suga cabinet, will roll out a massive economic stimulus package.
- On Wednesday, Yasutoshi Nishimura, minister in charge of economic revitalization, chaired a ministerial meeting between the eleven countries that are part of the CPTPP.
- The ministers agreed to hold an inaugural meeting of the working group negotiating the U.K.'s accession to the trade agreement this month.
- They also agreed to establish a subcommittee on e-commerce to promote digital trade.

#### 8. Prime Minister Suga to Resign at the End of Term

- Prime Minister Suga announced on Friday that he will not seek reelection and would be resigning at the end of his term this month. He will therefore not be conducting the personnel changes scheduled for September 6.
- Suga said he could not maintain the immense energy it takes to push out coronavirus policies while campaigning for reelection. He said he will keep his promise with the people to prioritize coronavirus countermeasures.
- Reports say that the prime minister decided reelection would be difficult given recent public criticism of the government's coronavirus policies, as well as intra-party opposition to the schedule of the elections and personnel changes.
- Some LDP lawmakers were quoted as saying that Suga was only rushing personnel changes, which would have happened next week, for his personal gain, mainly to improve his standing among the electorate.
- *Jiji* reported Friday that those close to Suga who face tough elections have lost confidence in the prime minister's ability to lead the party to victory. The report claims an unnamed minister advised the prime minister to stand down.
- Key party members, including former prime minister Shinzo Abe and Secretary-General Toshihiro Nikai, praised Suga for his leadership in the past year. The opposition, on the other hand, criticized Suga's "irresponsible" decision to prioritize party politics over the coronavirus response.

#### 9. Timeline Leading Up to Suga's Resignation Announcement

- **FRI:** As of Friday, the LDP presidential election is likely to be held as scheduled on September 29, with the House of Representatives election likely to be sometime after October 21, the end of the current lawmakers' term.

- **THU:** Takeshita faction, the third largest faction, held a meeting but did not decide on a candidate to back in the LDP presidential election. Reports suggest freshman and mid-career lawmakers are frustrated with the prime minister.
- **WED:** Prime Minister Suga denies rumors that he will call the snap election ahead of the LDP presidential election, saying the coronavirus response is a priority.
- Reports emerge that Suga plans to seek approval for a cabinet reshuffle and party personnel changes on Friday and conduct it on September 6.
- Former defense minister Gen Nakatani, member of the Tanigaki group, stresses that Suga should not change the schedule of the LDP presidential election (campaign starts Sept. 17) for the personal reason of boosting approval.
- Reports say Suga would have appointed vaccine czar Kono and even former policy research council chair Shigeru Ishiba, both popular among the electorate, to high-level positions to refresh the image of the party.
- **TUE:** Former policy research council chair Fumio Kishida, who is running for president, said Suga should not switch the schedule up and hold the House of Representatives election before the LDP presidential election.
- Secretary-General Nikai informs Suga that he plans to accept the latter's proposal to step down from his position. Suga viewed it as a way to counter election rival Kishida's proposal to impose a one-term limit (3 years) on leadership positions.
- As of Tuesday, Suga plans to dissolve the Lower House at an extraordinary Diet session on September 14-16 and hold the election on October 17. This would have pushed back the LDP presidential election from September 29.

#### 10. Potential Candidates to Replace Suga

- **Fumio Kishida (64):** Former policy research council chair who announced his candidacy on August 26. He ran against Suga and Ishiba in the last election and finished second. He reiterated on Friday that he hopes to recover faith in the party by listening to voters and indicating the party serves a diverse set of interests. Kishida said on Monday that the government should prepare a budget of up to a few trillion yen to provide far-reaching financial support that is not limited to specific industries or regions. He also said at his press conference last week that he plans to introduce one-term limits for leadership positions.
- **Sanae Takaichi (60):** Former internal affairs minister who announced her intention to run for the presidency in a magazine published on August 10. She is known to have a close relationship with former prime minister Abe. Following Suga's resignation announcement, she reiterated her intention to run for the presidency. She remains confident she will obtain the twenty lawmaker endorsements necessary to run for president.

- **Taro Kono (58)**: Minister for Administrative Reform and Regulatory Reform and vaccine czar who reportedly decided on Friday to run for the presidency. Reports suggest the minister discussed the matter with his faction boss, deputy prime minister and finance minister Taro Aso. He was rumored to have been considering a run, only fueled by the publication of his book on August 27. He polls highest among voters and was second behind Suga among LDP voters in a *Nikkei* poll released on Tuesday. Kono is likely to make a decision soon on whether to officially launch a campaign.
- **Seiko Noda (61)**: LDP Executive Acting Secretary-General who aspires to be the first female prime minister of the country. Following Suga's resignation announcement, she informed several LDP lawmakers that she is leaning toward running for the presidency. She hinted at her possible candidacy as early as July, emphasizing the need for a woman to run in the election. A major question will be whether Noda, an independent unaffiliated with a faction, can get the necessary twenty endorsements. She failed to obtain endorsements and withdrew her candidacy in the 2018 election.
- **Shigeru Ishiba (64)**: Former secretary-general of the party who remains popular with the electorate despite distancing himself from power due to his conflict with Abe and major party leaders. He ran for president in 2012, 2018 and 2020 and lost all three races. As of last week, it was uncertain whether he would be tossing his name in the hat for a fourth run. Ishiba himself mentioned in a radio show on August 4 that one choice for the party is to go into the election behind Suga. Following Suga's announcement, he maintained that nothing has been finalized yet, but that he would make a decision after discussion with friends and allies. It remains unclear whether Ishiba would be able to win the election given his lack of support from Diet members. However, lawmakers supporting other candidates warn that his popularity could propel him to the presidency if he decides to run.
- **Hakubun Shimomura (67)**: Policy Research Council Chair who announced in August that he was interested in running for the presidency. He withdrew his candidacy on Monday, rumored to have been pressured by Suga to avoid running if he wanted to save his job. However, following Suga's announcement, Shimomura said he would reconsider his decision to withdraw from the race. He polled at zero percent in a *Yomiuri* poll released on August 10 asking which LDP lawmaker would be the best choice for the next prime minister. A major hurdle will be whether he can get the Hosoda faction, the largest faction that Shimomura is a part of, to back his bid. At least until Suga's announcement, the faction (or at least President Hosoda and Abe) was leaning toward backing the prime minister.

#### 11. Opposition Confident They Can Win Back Lower House



- Main opposition Constitutional Democratic Party leader Yukio Edano said on a radio show aired on August 28 that the party's field research indicates the opposition is well within reach of achieving a change in government.
- He explained that although uniting behind a single candidate in all single-member districts (SMDs) with other parties will be difficult, the party has already agreed to cooperate with the Communist Party in about two-thirds of the SMDs.
- Both parties want to maximize the number of candidates they field in order to obtain more votes in the proportional representation portion. So far, the CDP and JCP both have candidates in seventy SMDs.
- Kazuo Shii, leader of the JCP, stressed in a speech this week that the opposition must come together to replace the Suga government, which has created a man-made disaster through its mishandling of the coronavirus response.
- The JCP also announced a policy on Wednesday aiming to reduce CO2 emissions by 50-60 percent from 2010 levels by 2030. Shii said he hopes to make climate policy a major issue in the upcoming election.

## 12. Other Noteworthy News

- **Kishida Announces Policies for Presidential Election:** Former policy research council chair Fumio Kishida, who has already announced his candidacy for the LDP presidential election, announced his coronavirus policy proposal ahead of the election. The "Four Pillars" of Kishida's coronavirus response are: 1) eliminating "refugees" who cannot receive medical treatment; 2) economic policies that allow for remote work; 3) utilizing vaccine passports, as well as expanding and making COVID-19 testing free; and 4) fundamentally reforming crisis management during a pandemic. On pillar one, Kishida proposes setting up field hospitals and borrowing large-scale accommodation facilities to make space for those who can't gain access to medical institutions. On pillar four, he proposes establishing a new agency called the "Health Crisis Management Agency," similar to the CDC that will serve as the control tower for managing crises. The agency would be headed by one minister, as opposed to the current system where four ministers lead separate facets of the response. Reports suggest that Kishida announced his policies early on to differentiate himself from Suga, who has been criticized for being reactive rather than proactive in responding to the pandemic.
- **Suga's Flagship Digital Agency is Officially Established:** The Digital Agency, Prime Minister Suga's flagship agency to lead Japan's digital reforms, held its inauguration ceremony on Wednesday. Suga delivered a speech to the agency's officials, pointing out that the importance of digital reforms were made clear by the pandemic, which showed how badly Japan needed to digitize its administrative services. The agency will be headed by Hirai Takuya, minister for digital transformation, and the administrative side by Digital Supervisor Yoko Ishikura,

non-executive director of Shiseido and a member of the World Economic Forum's Expert Network. Two hundred officials, or a third of the personnel, will be non-government officials from the private sector. Experts believe the agency will help reform the current structure where digital-related projects are outsourced for a significant cost by government officials without IT expertise. They also point out a key issue going forward will be to ensure the individuals hired from the private sector do not exercise favoritism for the parent companies they still work for.

## II. Public Opinion Polls

- A *Nikkei Shimbun*/TV Tokyo poll released Sunday showed the Suga Cabinet's approval rating was 34 percent, unchanged from August, while disapproval was 56 percent, close to the record-low of 57 percent set in July.<sup>3</sup>
  - 60 percent of respondents disapproved because of a lack of leadership, the first time numbers reached 60 percent since the Kan Cabinet (July 2011) in the aftermath of the 3.11 Tohoku earthquake and tsunami.
  - 41 percent of respondents approved because the government is led by the Liberal Democratic Party. Compared to July, support among those between 18-39 years of age dropped six percent.
  - 64 percent of respondents disapproved of the government's coronavirus response, up six percent from July and close to the highest disapproval rate of 65 percent recorded in April 2021.
  - 70 percent of respondents believe the vaccine drive is not proceeding smoothly, up five percent, while 26 percent believe it is going smoothly, down three percent.
  - 39 percent of respondents approve of the LDP, 33 percent do not support any party, and 11 percent approve of the CDP.
- A *Mainichi Shimbun*/Social Survey Research Center poll released Saturday showed the Suga Cabinet's approval rating was 26 percent, down four percent from July, while disapproval was 66 percent, up four percent.<sup>4</sup> Both were record-highs and lows.
  - 70 percent of respondents disapproved of the government's coronavirus response, up seven percent from July, while 14 percent approved, down five percent.
  - 70 percent of respondents fear the country's medical system could collapse, while 15 percent do not share the same fear.
  - 59 percent of respondents said they have been vaccinated twice; 13 percent said they have been vaccinated once; 11 percent said they have reservations but have not been vaccinated yet; seven percent said they can't get a reservation; five percent said they don't know if they want to get vaccinated; and four percent said they don't plan to get vaccinated.

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<sup>3</sup> Takuya Mizorogi, "Japanese disapproval of Suga's COVID response hits near-record high," *Nikkei Asia*, August 30, 2021.

<sup>4</sup> Matsumoto Masao, "*Nisen-nijūnen Hachigatsu Nijūhachinen Jisshi Zenkoku Yōron Chōsa no Bunseki to Kekka* 8月28日実施 全国世論調査の分析と結果" [Analysis and Results from August 28, 2021 National Poll], Social Survey Research Center, August 31, 2021, [https://ssrc.jp/blog\\_articles/20210828.html](https://ssrc.jp/blog_articles/20210828.html)

- 64 percent of respondents do not believe the COVID-19 state of emergency is mitigating the spread of the virus, while 16 percent said they believe it is working.
- 46 percent of respondents blame governments at all levels for the spread of the coronavirus; 32 percent blame people who don't follow countermeasures; and 21 percent believe it is unavoidable.
- 53 percent of respondents were able to enjoy the Olympic Games; 26 percent were unable to enjoy it; and 21 percent did not expect to enjoy the games in the first place.
- 74 percent of respondents believe that the Olympic Games had an impact on the spread of the virus, while 26 percent believe it did not have an impact.
- 43 percent of respondents want Japan to hold another Olympic Games in the future, while 32 percent do not want the country to hold another tournament.
- 42 percent of respondents believe that the U.S. withdrawal from Afghanistan was unavoidable, while 28 percent believe that the U.S. should not have withdrawn.
- 37 percent of respondents do not know which party they will vote for in the proportional representation block of the next election; 24 percent will vote for the LDP; 14 percent for the CDP; 8 percent for the Japan Innovation Party; 6 percent for the JCP; 4 percent for Komeito; 2 percent each for the DPP and Reiwa Shinsengumi; and 1 percent each for the SDP and other parties.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	Approval Rate (%)
Liberal Democratic Party	26 (-2)
Constitutional Democratic Party	10 (+/-0)
Komeito	3 (-1)
Japan Communist Party	5 (-2)
Japan Innovation Party	8 (+2)
Democratic People's Party	1 (+/-0)
Social Democratic Party	1 (+/-0)
Reiwa Shinsengumi	2 (+1)
NHK Party	1 (+1)
Other Political Parties	1 (-1)
Independents	42 (+3)